

## Message Text

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PAGE 01 STATE 078238  
ORIGIN NEA-07

INFO OCT-01 SS-14 ISO-00 EB-04 SSO-00 AID-05 NSC-05  
NSCE-00 L-01 PRS-01 INR-05 INRE-00 /043 R

DRAFTED BY AID/ASIA/BIS:PBOUGHTON/NEA/INS:DKUX  
APPROVED BY NEA:ADUBS  
AID/AA/ASIA - MR. COHEN  
EB:PBOEKER

-----072333Z 110947 /66

O 072232Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY NEW DELHI IMMEDIATE

C O N F I D E N T I A L STATE 078238

LIMDIS

E.O. 11652:GDS

TAGS: EAID, IN

SUBJECT: AID TO INDIA

REF: NEW DELHI 4845

1. THERE APPEARS TO HAVE BEEN SOME MISUNDERSTANDING OF  
CONVERSATION BETWEEN BAIJAL, MINISTER FOR ECONOMIC AFFAIRS,  
GOI EMBASSY AND ACTING ASSISTANT ADMINISTRATOR FOR ASIA,  
ADLER.

2. BAIJAL REQUESTED APPOINTMENT WITH ADLER AND MEETING  
WAS IN AID NOT AT INDIAN EMBASSY. BAIJAL SAID HE HAD BEEN  
DISTRESSED THAT THE INDIANS HAD NOT BEEN INFORMED IN ADVANCE  
THAT INDIA WAS TO BE DROPPED FROM THE FY 78 CP. ADLER  
STATED WE HAD DECIDED TO DROP INDIA FROM THE CP BECAUSE THE  
PROGRAM HAD APPEARED FOR SO MANY YEARS IN THE CP WITHOUT  
ACTUALLY BEING IMPLEMENTED. ADLER ALSO STATED THE NEW  
ADMINISTRATION HAD THE MATTER OF ASSISTANCE TO INDIA UNDER  
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PAGE 02 STATE 078238

REVIEW. IF A FAVORABLE DECISION WERE TAKEN, OUR GOVERN-  
MENTS WOULD NEED TO INITIATE DISCUSSIONS TO SEE WHETHER A  
MUTUALLY AGREEABLE PROGRAM COULD BE WORKED OUT. SUCH A  
DIALOGUE WOULD BE IMPORTANT, SINCE DISCUSSIONS ON AID HAVE  
BEEN SUSPENDED FOR SO LONG. IF TWO GOVERNMENTS DECIDED TO  
MOVE AHEAD, THE ADMINISTRATION WOULD THEN NEED TO SEEK  
AUTHORIZATION AND FUNDS FROM THE CONGRESS. ADLER REPEATEDLY

EMPHASIZED THAT THE QUESTION OF RESUMPTION OF AID TO INDIA

WAS STILL UNDER REVIEW HERE.

3. WE HAVE TALKED WITH BAIJAL WHO HAS ESSENTIALLY SAME UNDERSTANDING OF SESSION WITH ADLER AS OUTLINED ABOVE AND CLAIMS HE SO REPORTED TO DELHI. BAIJAL BELIEVES THAT JUNEJA HAS PROBABLY MISINTERPRETED REMARKS ABOUT INDO-U.S. DISCUSSIONS ON DETAILS OF PROGRAM. BAIJAL NOTES THAT AMBASSADOR KEWAL SINGH HAS REPORTED SEPARATELY NUMBER OF CONVERSATIONS HE HAS HAD IN WHICH SUBJECT OF AID RESUMPTION CAME UP IN POSITIVE WAY. EMBASSY HAS ALSO REPORTED PRESS COMMENT ABOUT LIKELY U.S. AID RESUMPTION. BAIJAL GUESSES THAT IN CONTEXT OF VARIETY OF OTHER POSITIVE SIGNALS AROUND TOWN, DELHI INTERPRETED DISCUSSION WITH ADLER AS REQUEST FOR GUIDANCE ON AID TALKS ON ASSUMPTION USG GREEN LIGHT HAD ALREADY BEEN GIVEN.

4. TO CLARIFY SITUATION, YOU CAN INDICATE TO GOI THAT WHILE WE ARE REVIEWING BILATERAL AID QUESTION, NO DECISION HAS BEEN MADE HERE. IF WE ARE PREPARED IN PRINCIPLE TO RESUME BILATERAL AID PROGRAM, WE WOULD OF COURSE, AFTER AGREEING ON MODALITIES WITH EMBASSY DELHI, NEED TO DISCUSS FUNDING LEVELS, PROGRAM CONTENT, AND AID RELATIONSHIP WITH GOI TO SEE IF A MUTUALLY SATISFACTORY PROGRAM CAN BE DEVELOPED.

5. WE HAVE ALSO PASSED ABOVE TO BAIJAL.

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PAGE 03 STATE 078238

6. EMBASSY SHOULD KNOW THAT STATE AND AID HAVE NO DESIRE TO IMPOSE PROGRAMS UPON THE NEW INDIAN GOVERNMENT. WE AGREE WITH THE STRATEGY OUTLINED BY THE CHARGE IN VARIOUS RECENT MESSAGES THAT WE SHOULD ALLOW THE NEW GOVERNMENT TO SET THE PACE FOR THE RELATIONSHIP WHICH IT HOPES TO ESTABLISH AND FOSTER WITH THE USG. IT SHOULD BE RECOGNIZED THAT WITH RESPECT TO THE RESUMPTION OF BILATERAL DEVELOPMENT LENDING THE ISSUE HAS BEEN BROUGHT QUICKLY TO THE FORE BY CONGRESSIONAL INTEREST AND PRESS SPECULATION.  
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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Decaption Date:** 22 May 2009  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
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**Errors:** N/A  
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**Original Handling Restrictions:** LIMDIS  
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**Reference:** 77 NEW DELHI 4845  
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**Subject:** AID TO INDIA  
**TAGS:** EAID, IN  
**To:** NEW DELHI  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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